

Message Text

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VIENNA FOR UNIDO, ATTENTION BRAMANTE

PASS AID

E.O. 11652: N/A

TAGS: ETRD, UNCTAD, OECD, EAID

SUBJECT: EC DRAFTS ON TRADE ISSUES AT UNCTAD IV

1. AT OECD CONSULTATIVE MEETING ON PREPARATIONS FOR UNCTAD IV, EC TABLED THREE DRAFTS FOR POSSIBLE USE AT NAIROBI AS COMMON GROUP B DOCUMENTS IN DISCUSSION OF AGENDA ITEM 9 (COMPREHENSIVE STRATEGY ON MANUFACTURES) AND 10A (REVIEW OF MTN). INFORMAL REVIEW OF TEXTS TUESDAY MORNING APRIL 12 RESULTED IN SEVERAL CHANGES, BUT TEXTS HAVE NOT REPEAT NOT BEEN ADOPTED AS GROUP B POSITIONS. GROUP B WILL MEET AGAIN IN NAIROBI TO DISCUSS TEXTS, AND EC REPS REQUESTED U.S. TO COMMUNICATE TELEGRAPHICALLY ANY FURTHER USG COMMENTS ON TEXT PRIOR

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TO UNCTAD IV.

2. FIRST TEXT IS PROPOSAL FOR RESOLUTION ON ACCESS TO MARKETS IN DEVELOPED COUNTRIES FOR MANUFACTURES AND SEMI-MANUFACTURES OF DEVELOPING COUNTRIES:

QUOTE

(A) GENERALIZED TARIFF PREFERENCES:

(I) IMPROVEMENT:

THE GENERALIZED SYSTEM OF PREFERENCES SHOULD BE CONTINUOUSLY IMPROVED IN THE LIGHT OF THE PROVISIONS OF SECTION I, PARAGRAPH 8 OF UNGASS RESOLUTION 3362 (S-VII).

DONOR COUNTRIES SHOULD TRY TO IMPROVE THEIR SCHEMES IN THE FOLLOWING WAYS IN PARTICULAR:

-- EXTENSION OF PRODUCT COVERAGE TO PRODUCTS OF SPECIAL INTEREST TO DEVELOPING COUNTRIES;

-- AS FAR AS POSSIBLE, APPLICATION OF DUTY-FREE ENTRY FOR MANUFACTURED AND SEMI-MANUFACTURED PRODUCTS AND, WHERE APPLICABLE, SUBSTANTIAL INCREASE OF CEILINGS AND TARIFF QUOTAS FOR THESE PRODUCTS;

-- AS FLEXIBLE AND LIBERAL APPLICATION AS POSSIBLE OF THE RULES FOR THE OPERATION OF THE GENERALIZED PREFERENCES SCHEMES;

-- ADAPTATION OF THE GSP TO RESPOND BETTER TO THE REAL NEEDS OF THE DEVELOPING COUNTRIES TAKING ACCOUNT IN PARTICULAR OF THE INTERESTS OF THE LEAST DEVELOPED COUNTRIES;

-- CONTINUATION OF WORK FOR THE SIMPLIFICATION, HARMONIZATION, AND IMPROVEMENT OF THE RULES OF ORIGIN.

(II) MAINTENANCE OF PREFERENCES:

THE GENERALIZED SYSTEM OF PREFERENCES SHOULD NOT TERMINATE AT THE END OF THE PERIOD OF TEN YEARS ORIGINALLY ENVISAGED.

(III) ADDITIONAL MEASURES:

DEVELOPED COUNTRIES SHOULD MAKE EFFORTS TO GIVE TECHNICAL ASSISTANCE TO COUNTRIES BENEFITTING FROM GENERALISED PREFERENCES, PARTICULARLY TO THE LEAST ADVANCED COUNTRIES TO ENABLE THEM TO DRAW UNCLASSIFIED

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MAXIMUM ADVANTAGE FROM PREFERENCES. AMONG OTHER MEASURES THIS ASSISTANCE COULD FOCUS ON BETTER INFORMATION OF BENEFICIARY COUNTRIES AS CONCERNS THE ADVANTAGES GRANTED, AND ON TECHNICAL TRAINING FOR DEVELOPING COUNTRIES' PERSONNEL DEALING WITH THE GSP. MOREOVER, IT IS RECOMMENDED TO THE APPROPRIATE INTERNATIONAL INSTITUTIONS TO PURSUE, IN CLOSE CO-ORDINATION, THEIR WORK IN THE FIELD OF DISTRIBUTION OF INFORMATION, TRADE

PROMOTION AND INDUSTRIAL PROMOTION FOR PRODUCTS COVERED
BY GSP.

(IV) UTILISATION OF PREFERENCES:

EFFORTS SHOULD ALSO BE MADE BY THE DEVELOPING
COUNTRIES WITH A VIEW TO BETTER QUANTITATIVE AND
QUALITATIVE UTILISATION OF POSSIBILITIES OFFERED BY THE
DIFFERENT GENERALISED PREFERENCES SCHEMES.

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(B) TARIFF RECLASSIFICATION:

STUDIES SHOULD CONTINUE ON THE POSSIBILITY OF
INTRODUCING APPROPRIATE TARIFF SUB-POSITIONS WITH A

VIEW TO IDENTIFYING PRODUCTS OF SPECIAL EXPORT INTEREST TO THE DEVELOPING COUNTRIES. THE CUSTOMS CO-OPERATION COUNCIL SHOULD CONTINUE ITS TECHNICAL STUDIES ON THE POSSIBILITY OF INTRODUCING SUCH SUB-POSITIONS INTO THE HARMONIZED SYSTEM.

(C) PRINCIPLE OF STANDSTILL:

DEVELOPED COUNTRIES SHOULD CONTINUE TO APPLY THE AGREED PROVISIONS AS REGARDS THE PRINCIPLE OF STANDSTILL CONCERNING IMPORTS FROM DEVELOPING COUNTRIES.
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(D) NON-TARIFF BARRIERS:

IN CONFORMITY WITH THE TOKYO DECLARATION AND WITH RESOLUTION 3362 OF THE UNITED NATIONS GENERAL ASSEMBLY, DEVELOPED COUNTRIES SHOULD, WITHIN THE FRAMEWORK OF THE MTN'S, TAKE EFFECTIVE MEASURES, WHERE FEASIBLE AND APPROPRIATE, TO REDUCE OR ELIMINATE, ON A DIFFERENTIAL AND MORE FAVOURABLE BASIS FOR THE DEVELOPING COUNTRIES, THE NON-TARIFF BARRIERS WHICH APPLY TO PRODUCTS WHOSE EXPORT IS OF INTEREST TO THE DEVELOPING COUNTRIES.

(E) THE LEAST DEVELOPED COUNTRIES:

IN THE CONTEXT OF THE LIBERALISATION OF TARIFF AND NON-TARIFF BARRIERS, SPECIAL ATTENTION SHOULD BE PAID TO THE LEAST DEVELOPED COUNTRIES, WITH THE AIM OF SUBSTANTIALLY IMPROVING THEIR EXPORTS.
UNQUOTE

3. SECOND TEXT IS ALSO DFT RESOLUTION, ON RESTRICTIVE BUSINESS PRACTICES:

(A) EFFORTS SHOULD BE CONTINUED AT BOTH THE NATIONAL AND INTERNATIONAL LEVEL WITH THE OBJECTIVE OF CONTROLLING RESTRICTIVE BUSINESS PRACTICES LIKELY TO AFFECT INTERNATIONAL TRADE ADVERSELY, IN PARTICULAR THAT OF DEVELOPING COUNTRIES. THESE EFFORTS SHOULD DEAL AMONG OTHER THINGS WITH THE EXAMINATION OF THE POSSIBILITY OF ESTABLISHING IN THIS FIELD A SET OF MULTILATERALLY AGREED PRINCIPLES APPLICABLE ON A VOLUNTARY BASIS.

(B) ACTION AT NATIONAL LEVEL, BY GOVERNMENTS FROM DEVELOPING AS WELL AS FROM DEVELOPED COUNTRIES, SHOULD WHERE APPROPRIATE CONSIST IN ADOPTING OR STRENGTHENING REGULATIONS ON RESTRICTIVE BUSINESS PRACTICES AND IN

IMPLEMENTING SUCH REGULATIONS BY MEANS OF PROCEDURES
ENSURING FAIR AND EQUITABLE TREATMENT OF THE ISSUES
AND TREATING ENTERPRISES WITHOUT DISCRIMINATION AGAINST
FOREIGN ORIGIN OR CONTROL.
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(C)IN ACCITION TO ACTION AT NATIONAL LEVEL, ACTION
SHOULD BE TAKEN AT INTERNATIONAL LEVEL IN ORDER TO
ACHIEVE EFFECTIVE CONTROL OF RESTRICTIVE BUSINESS PRAC-
TICES WHICH ARE LIKELY TO AFFECT INTERNATIONAL TRADE
ADVERSELY, IN PARTICULAR THAT OF DEVELOPING COUNTRIES;
THIS ACTION COULD INCLUDE THE FOLLOWING ELEMENTS:

(I) CONTINUATION OF IDENTIFICATION AND DEFINITION
OF RESTRICTIVE BUSINESS PRACTICES LIKELY TO
ADVERSELY AFFECT INTERNATIONAL TRADE;

(II) CONTINUATION OF WORK TO MAKE FURTHER PROGRESS
IN FORMULATING THE ELEMENTS OF A MODEL LAW
OR LAWS FOR DEVELOPING COUNTRIES ON RESTRIC-
TIVE BUSINESS PRACTICES;

(III) EXAMINATION OF THE POSSIBILITY OF FORMULATING
ULTILATERALLY AGREED PRINCIPLES DIRECTED TO
GOVERNMENTS AS WELL AS TO ENTERPRISES, THE
APPLICATION OF WHICH SHOULD BE ON A VOLUN-
TARY BASIS;

(IV) CONTINUATION OF EXCHANGES OF VIEWS AND
STUDIES IN SEEKING SOLUTIONS IN THE COMPLEX
AREA OF PROBLEMS CREATED BY THE CONTROL OF
RESTRICTIVE BUSINESS PRACTICES LIKELY TO

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AFFECT INTERNATIONAL TRADE ADVERSELY;

(V) SUPPLYING THE SECRETARY-GENERAL OF UNCTAD,
ON A BASIS TO BE AGREED, WITH PUBLICLY
AVAILABLE INFORMATION ON THE APPLICATION OF
REGULATIONS AGAINST RESTRICTIVE BUSINESS
PRACTICES, AS WELL AS SUBMITTING AN ANNUAL
REPORT ON THE DEVELOPMENT AND APPLICATION OF
SUCH REGULATIONS. AGREEMENT TO EXAMINE HOW
FAR AND BY WHAT MEANS VOLUNTARY PROCEDURES
ON EXCHANGE OF INFORMATION, NOTIFICATIONS AND
CONSULTATIONS SHOULD BE DEVELOPED ON A
RECIPROCAL BASIS BETWEEN MEMBER STATES OF
UNCTAD:

(VI) COLLECTION AND DISSEMINATION OF THIS
INFORMATION BY THE UNCTAD SECRETARIAT, IN
CLOSE CO-OPERATION WITH THE RESEARCH AND
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INFORMATION CENTRE ON TRANSNATIONAL CORPOR-
ATIONS ESTABLISHED IN THE UNITED NATIONS;

(VII) PROVIISION OF TECHNICAL ASSISTANCE TO DEVELOP-
ING COUNTRIES IN THE AREA OF RESTRICTIVE
BUSINESS PRACTICES ESPECIALLY IN RESPECT OF
THE TRAINING OF OFFICIALS. UNQUOTE

4. THIRD TEXT IS ON MTN AND IS IN FORM OF DRAFT DECLAR-
ATION RATHER THAN RESOLUTION TO MAKE CLEAR THAT GROUP B

DOES NOT REPEAT NOT CONSIDER THIS SUBJECT APPROPRIATE
FOR NEGOTIATIONS IN UNCTAD:

(A) THE DEVELOPED COUNTRIES CONTINUE FULLY TO SUPPORT
THE TERMS OF THE TOKYO DECLARATION, IN PARTICULAR THOSE
CONCERNING THE NEED TO TAKE SPECIAL MEASURES DURING THE
NEGOTIATIONS IN ORDER TO ASSIST THE DEVELOPING COUNTRIES
IN THEIR EFFORTS TO INCREASE THEIR EXPORT EARNINGS AND
PROMOTE THEIR ECONOMIC DEVELOPMENT AND, WHERE APPROPRI-
ATE, TO GIVE PRIORITY ATTENTION TO PRODUCTS OR AREAS OF
INTEREST TO THE DEVELOPING COUNTRIES.

(B) THE DEVELOPED COUNTRIES HAVE MOREOVER RECOGNIZED IN
THE TOKYO DECLARATION THE IMPORTANCE OF THE APPLI-
CATION OF DIFFERENTIAL MEASURES TO THE DEVELOPING
COUNTRIES, IN WAYS WHICH WILL PROVIDE FOR SPECIAL AND
MORE FAVOURABLE TREATMENT, IN AREAS OF NEGOTIATIONS
WHERE THAT IS FEASIBLE AND APPROPRIATE. THEY ARE READY
TO PARTICIPATE IN A PARTICULARLY THOROUGH EXAMINATION
IN THE MTN'S OF ALL THE IMPLICATIONS ON THE PROCESS OF
THE NEGOTIATIONS OF SUCH DIFFERENTIAL MEASURES. TO
THIS END THEY WILL CONTINUE TO ADOPT AS PRAGMATIC AN
APPROACH AS POSSIBLE IN ORDER TO RESPOND TO THIS REQUEST
OF THE DEVELOPING COUNTRIES AND, AT THE SAME TIME, TO
TAKE ACCOUNT OF THE DEGREE OF DEVELOPMENT IN DIFFERENT
DEVELOPING COUNTRIES, WITH THE PARTICULAR CONCERN OF
SEEKING POSSIBILITIES OF SPECIAL TREATMENT IN FAVOUR
OF THE LEAST DEVELOPED COUNTRIES WHOSE SITUATION AND
PARTICULAR PROBLEMS ARE RECOGNIZED BY THE TOKYO DECLAR-
ATION.

(C) AS REGARDS TROPICAL PRODUCTS WHICH ARE CONSIDERED,
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IN CONFORMITY WITH THE TOKYO DECLARATION, AS A SPECIAL
PRIORITY SECTOR, THE DEVELOPED COUNTRIES INTEND FULLY TO

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RESPECT THE ENGAGEMENTS TO WHICH THEY HAVE SUBSCRIBED.
THEY WILL ENDEAVOUR TO MAKE AS RAPID PROGRESS AS POSSIBLE
IN THIS SECTOR.

(D) IN THE OTHER SECTORS OF THE NEGOTIATIONS, THE
DEVELOPED COUNTRIES ARE ALSO RESOLVED TO TAKE INTO
CONSIDERATION THE PROBLEMS OF THE DEVELOPING COUNTRIES
AND TO STUDY THE POSSIBILITIES OF DIFFERENTIAL MEASURES
CASE BY CASE IN THE CONTEXT OF THE ELABORATION OF
MULTILATERAL SOLUTIONS. IN THIS CONTEXT, WHERE TARIFFS
ARE CONCERNED, THEY ARE PREPARED TO CONTINUE ACTIVELY
THEIR WORK ON SPECIAL PROCEDURES RELATIVE TO THE
PROBLEMS OF DEVELOPING COUNTRIES, TAKING INTO ACCOUNT,
INTER ALIA, VARIOUS SUGGESTIONS THAT HAVE BEEN MADE.

(E) IT IS EXPECTED THAT DEVELOPING AS WELL AS DEVELOPED
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COUNTRIES SHALL CONTRIBUTE TO THE NEGOTIATIONS SO AS TO
ACHIEVE AN OVERALL BALANCE OF ADVANTAGE AT THE HIGHEST
POSSIBLE LEVEL. DEVELOPED COUNTRIES RECOGNISE HOWEVER
THAT DEVELOPING COUNTRIES ARE NOT EXPECTED TO MAKE
CONTRIBUTION WHICH ARE INCONSISTENT WITH THEIR INDIVIDUAL
DEVELOPMENT, FINANCIAL AND TRADE NEEDS.

(F) UNCTAD SHOULD FOLLOW CLOSELY IN THE NEGOTIATIONS

THE DEVELOPMENTS OF PROBLEMS OF PARTICULAR CONCERN TO
DEVELOPING COUNTRIES AND ACTIVELY EXAMINE THESE PROB-
LEMS. UNCTAD SHOULD CONTINUE TO GIVE TECHNICAL ASSIS-
TANCE TO DEVELOPING COUNTRIES TO PROMOTE THEIR EFFECTIVE
PARTICIPATION IN THE NEGOTIATIONS. IN THE LIGHT OF
RESOLUTION 82(III), AND IN CONFORMITY WITH AGREED
ARRANGEMENTS, THE SECRETARY-GENERAL OF UNCTAD SHOULD
CONTINUE TO BE INVITED AS APPROPRIATE TO MEETINGS OF THE
TNC AND ITS SUBSIDIARY BODIES AND TO RECEIVE RELEVANT
DOCUMENTATION. UNQUOTE
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